

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

TAXES - Municipal Administration and Urban Development - Kaghaznagar Municipality - Payment of property tax by M/s. Sirpur Paper Mills Ltd., - Exemption under Sub-section 3 & 4 of Section 88 of A.P. Municipalities Act, 1965 - Orders - Issued.

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**MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (T.C.1) DEPARTMENT**

G.O.Ms.No. 443:

Dated: 10-07-2009.  
Read the following :

1. From M/s. Sirpur Paper Mills Ltd., Lr. Dt. 11.08.99.
2. Govt. Memo.No.21232/TC.1/99-6, MA, dt.14.02.02.
3. Govt. Memo.No.13537/TC.1/2008, dt. 23.03.09.
4. Govt.Lr..No. 13537/TC.1/2008-1, dt. 23.03.09.
5. From the Commissioner, Kaghaznagar Municipality, Lr. Roc. No. A1/1577/07-08, dt. 23.04.09.
6. From the CEO., M/s. Sirpur Paper Mills Ltd.,Lr.Roc.No. A1/1577/2007-08, dt. 04.06.09.

**ORDER:**

In the ref. 1<sup>st</sup> read above, M/s. Sirpur Paper Mills Ltd., have requested for exemption of Property Tax under Section 88 of the A.P.Municipalities Act, 1965. Government have examined the issue and the same was rejected vide ref. 2<sup>nd</sup> read above, keeping in view the resolution passed by the Kagaznagar Municipality vide C.R.No. 71, dated 31.10.2000 for not accepting the exemption of taxes.

2. Aggrieved by the rejection order, M/s. Sirpur Paper Mills Ltd., have filed writ petition praying for the relief under Sub-section (3) and (4) of Section 88 of the A.P.Municipalities Act, 1965. Section 88 (3) of the Act lays down that the council may, with the previous sanction of the Government, exempt any particular part of a municipality from the payment of the whole or a portion of the water and drainage tax or of the lighting tax on the ground that such area is not deriving full benefit from the water supply and drainage or from the lighting system. Further Section 88 (4) of the Act lays down that the council may, exempt any building or land from the whole or any portion of the scavenging tax if it is satisfied that the owner or occupier has made efficient arrangements for the daily removal there from of rubbish, filth and carcasses of animals. In view of the said Provision, the Hon'ble High Court, in their Judgment dated 14.07.2008 have observed that the matter requires reconsideration by the Government in the circumstances stated therein and while allowing the Writ Petitions, directed the Government (1<sup>st</sup> Respondent) to consider and pass appropriate orders, after giving reasonable opportunity to the petitioner company.

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3. Accordingly, in the ref. 3<sup>rd</sup> read above information on the following was called for from the Commissioner, Kagaznagar Municipality.

- i) Amenities provided by M/s. Sirpur Paper Mills Ltd., in their premises.
- ii) Details of civic amenities provided by the Municipality in the areas of colonies/properties owned by M/s. Sirpur Paper Mills, Ltd.,
- iii) Whether M/s. Sirpur Paper Mills Ltd., is entitled for exemption from whole or part of water and drainage tax, lighting tax, scavenging tax and reasons there for.

4. In the ref. 4<sup>th</sup> read above M/s. Sirpur Paper Mills Ltd., was given an opportunity to make a representation to the Government in the matter and to furnish information, among others covering the above items. The Commissioner, Kagaznagar Municipality and M/s. Sirpur Paper Mills Ltd., have furnished the information.

5. It is admitted by the Municipality that M/s. Sirpur Paper Mills Ltd., has constructed open drains in their colony and attending to cleaning of drains. The point made by the Commissioner, Kaghaznagar Municipality is that the dirt and foul matter of the company's area flows through the municipal town area causing nuisance and consequently it has to be attended to and daily cleaned by the municipal sanitary staff to maintain sanitation of the town at the cost of the municipality. The population residing in the residential quarters of the paper mills is 9,470 out of the total population of the municipality as per 2001 census at 59,734. Thus 15.85% of the total population of the municipality is living in the residential quarters of the paper mills. The drain water generated in the entire municipal area will have certain relation to the population living in the municipality in addition to drainage let out from non-residential buildings. In view of this position it is clear that certain percentage of the drain water cleaned by the municipality flows from the colonies of the paper mills. Hence, it can be concluded that M/s. Sirpur Paper Mills Ltd., is deriving partial benefit from the drainage system of the municipality for the reason that the drain water of the paper mills is flowing through the municipal town and consequently it is attended and daily cleaned by the municipal staff to maintain sanitation of the town. Drainage tax is levied by the municipality at 5% of the ARV. Hence, it will be appropriate to exempt M/s. Sirpur Paper Mills Ltd., from payment of drainage tax to a tune of 3% out of 5% of the ARV.

6. In the circumstances stated above, Government after careful examination of the matter, hereby accord approval to Municipal Council, Kaghaznagar to exempt the areas of M/s. Sirpur Paper Mills Ltd., from payment of whole Lighting tax @ 5%, whole Scavenging tax @ 4% and Drainage tax @ 3% out of 5% from 01.04.1999.

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7. The Commissioner and Director of Municipal Administration, A.P., Hyderabad shall take necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

PUSHPA SUBRAHMANYAM  
SECRETARY TO GOVERNMENT

M/s.Sirpur Paper Mills Limited, Khagaznagar

Copy to : The Commissioner & Director of Municipal Administration, AP,  
Hyderabad  
The Commissioner, Khagaznagar Municipality  
The Chair Person, Municipal Council, Khagaznagar  
SF/SC.

//Forwarded::By Order//

SECTION OFFICER.